

THE FOREST CLUB, INC.

BYLAWS

SEPTEMBER 15, 2015

BYLAWS OF THE FOREST CLUB, INC.

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BYLAWS
OF
THE FOREST CLUB, INC.

SECTION 1 – OFFICES

The principal office of The Forest Club, Inc., registered with the Florida Division of Corporations, shall be at 400 North Forest Boulevard, Lake Mary, Florida 32746.

The Not For Profit Corporation/HOA is also registered with the Florida Division of Human Relations and is registered as a 55+ Senior Housing community.

SECTION 2 – MEMBERSHIP AND VOTING RIGHTS

Voting Members:

- a. Every OWNER shall be a voting member of The Forest Club, Inc. Said voting membership shall be appurtenant to and may not be separated from the ownership of any lot, and such voting membership shall terminate simultaneously with any termination of ownership.
- b. Every OWNER shall be entitled to one (1) vote for each lot owned. When more than one person owns a lot, each of said OWNERS shall be a member of The Forest Club, Inc. but there shall be only one (1) vote attributable to that lot and they may determine among themselves how their vote shall be exercised. The vote may not be fractionally split but must be cast as a whole.
- c. If an OWNER owns two (2) contiguous lots which are assessed as one lot, that OWNER shall be entitled to only one (1) vote.

SECTION 3 – GOVERNING DOCUMENTS

All Owners, Tenants, and Guests shall be subject to the COVENANTS, CONDITIONS, AND RESTRICTIONS, to these BYLAWS, and to reasonable RULES AND REGULATIONS, which may be promulgated and enforced by The Forest Club, Inc. (collectively, the "Governing Documents").

- a. New OWNERS must be fully apprised of this fact by the seller or seller's agent with up-to-date copies of each of the aforementioned governing documents prior to accepting the deed at closing. A letter available from The Forest Club, Inc. office stating they have read and agree to abide by these Governing Documents (the "Agreement Letter") must be signed and returned to the office.
- b. OWNERS are responsible for informing tenants that they also are required to abide by all of the aforementioned Governing Documents. An up-to-date copy of the Governing Documents along with an Agreement Letter to abide by the Governing Documents, available from The Forest Club, Inc. office, must be given to the Tenant(s) prior to moving in. All tenants must sign the Agreement Letter and submit it to The Forest Club, Inc. office, along with a copy of their lease, prior to moving into the Forest Club, Inc.

community. Notwithstanding that the tenant has signed the Agreement Letter, OWNERS remain responsible for ensuring compliance on the part of their tenants and for payment of assessments.

- c. Guests of OWNERS and guests of tenants are considered to be guests of The Forest Club, Inc. and thus are expected to act appropriately and remain in compliance with the Governing Documents, and responsibility for such compliance remains with their respective hosts. Resident OWNER(s) must directly supervise all guests 16 and younger to insure compliance with the Governing Documents and any posted rules for their protection and that of others, and for enjoyment while preserving the peace and tranquility of our community.

SECTION 4 – EASEMENT OF ENJOYMENT

Every OWNER and tenant shall have the right and easement of enjoyment in and to the common areas, which right shall be appurtenant to and shall pass with the title to every lot. However, unless waived in writing by the tenants and on file in The Forest Club, Inc. office, the OWNER shall not have rights of use to common areas while their property is being rented.

SECTION 5 - MEETINGS

Notice of meetings of the membership of The Forest Club, Inc. will state the date, day, and time of the meeting. All meetings will be held in the Starlight Room unless otherwise specified. Notices will be published in the CHIPS (monthly calendar), posted on the bulletin board, emailed, and/or hand delivered.

5.1 Board Meetings

Regular Board of Directors meetings shall be held at least monthly on a scheduled date and time determined by the Board of Directors. Director workshop meetings may also be held at the discretion of the Board of Directors and no voting shall take place at these meetings. Required notice for both types of Board meetings shall be not fewer than five (5) or more than thirty (30) days prior to these meetings. Agendas for these meetings should be posted three (3) to five (5) days prior to these meetings on the Bulletin Board. A quorum of Directors is required to conduct business for The Forest Club, Inc.

5.2 Private Board Meetings

Meetings not open to the residents are limited to those called for the purpose of discussing personnel or legal issues.

5.3 Special Meetings

a. Called By The Membership

It shall be the duty of the President or a quorum of the Board of Directors to call a special meeting of the members upon receipt of a petition signed by at least twenty percent (20%) of eligible voters of The Forest Club, Inc. The required notice shall not be less than ten

(10) days or more than thirty (30) days prior to the meeting date and must state the purpose, time, and place of such meeting. Another petition on the same subject may not be presented within sixty (60) days following the aforementioned Special Meeting. If it is determined that a vote of the general membership is required, ballots will be mailed to all OWNERS within the following two (2) weeks allowing for at least three (3) weeks response time. A meeting date to count those ballots will be set by the Board of Directors to count the ballots and announce the results of the vote.

b. Called By The Board

It shall be the duty of the President or any other member of the Executive Committee to call any Special Meeting of the Board of Directors. The required notice should be at least five (5) days when possible and shall state the place, date, time, and purpose of the meeting. Only business specified on the notice may be transacted. Should a membership vote be required, the procedure should follow as outlined in (a.) above.

5.4 Types of Special Meetings

a. Open Forum Meeting

Open Forum meetings may be held on the third Monday in January, March, May, July, September, and November. These meetings provide residents an opportunity to bring any individual and collective concerns before the Board of Directors. The required notice shall be not fewer than ten (10) or more than thirty (30) days and shall include the time and place of the meeting. No official business may be transacted at these meetings.

b. Budget Meeting

The Board of Directors shall provide notice to all owners of a special meeting to discuss the proposed budget for the following fiscal year. The required notice shall be at least fourteen (14) days prior to the meeting. It shall include a copy of the proposed budget along with any appropriate explanation if necessary and must include place, date, and time of meeting. For Budget approval procedure see Section 10 of these BYLAWS.

c. Meet The Candidates Meeting

A meeting of the membership shall be called at least four (4) to six (6) weeks prior to the annual meeting to present candidates for election to the Board of Directors. The required notice for this meeting shall be at least fourteen (14) days prior to the meeting and shall include the place, date, and time of meeting. At that time, the members will have the opportunity to meet and question the candidates. No business will be conducted. If the number of candidates (new or running for re-election) is equal to the number of positions available, then no election will be held and those candidates will automatically be considered elected Board of Director members. If the number of candidates (new or running for re-election) is greater than the number of positions available, then ballots will be mailed to all eligible OWNERS.

d. Annual Meeting; Day Of Meeting; Notice; Quorum

This meeting shall be held on the second Tuesday of December each year. The required notice shall be at least twenty (20) days prior to the meeting and shall include the place, date, and time of meeting. The election of the Board of Directors takes place at this meeting. After the election, or if no election occurs, the Annual Meeting will become the last scheduled Board of Directors meeting of the year. Quorum for membership meeting, including the Annual Meeting, is 30 percent (30%) of the total number of voting lots. See Section 6 – Voting.

5.5 Recording Of Meetings

OWNERS may tape record or video tape all Board of Directors regular or special meetings, workshops, and meetings of the members. The Board of Directors may adopt reasonable rules governing this provision. All meetings of the Board of Directors shall be recorded by the Secretary.

5.6 Quorum And Action At A Board Meeting

At all meetings of the Board of Directors the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business. If a quorum is not present at any meeting of Directors, those Directors present may adjourn the meeting from time to time without notice and other than announcement of the time for reconvening the meeting.

5.7 Presumption Of Assent To Action

A Director who is present at a meeting of the Board of Directors at which action on any Forest Club, Inc. issue or business has been taken, shall be presumed to have assented to the action taken unless:

- a. The Director's dissent from the Board of Directors action shall be entered in the minutes of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action; or
- b. The Director abstains from voting in respect thereto because of an asserted conflict of interest.

5.8 Waiver Of Notice

Whenever any notice is required to be given to any Director, a waiver thereof in writing signed by the person or persons entitled to such notice, before or after the time stated therein, shall be equivalent to the giving of such notice.

SECTION 6 – VOTING

When a vote of the total membership is required, Board approved ballots will be mailed to all eligible OWNERS. The number of validated ballots returned must constitute a quorum (30%) of those Owners.

A majority vote (that is, one vote more than half) of the total votes of the total number of lot OWNERS entitled to vote shall be required in the following circumstances:

- a. for the sale or transfer of all or any part of the corporate real property
- b. for the merger or consolidation with any other corporation
- c. for any type of funding requiring mortgaging, lending of money, leasing, exchanging, pledging, issuance of a deed of trust, or otherwise hypothecating any or all real property or other assets of The Forest Club, Inc. as collateral for same
- d. for any action of the Board, the effect of which would eliminate any existing amenity available to the membership.

6.1 Proxies

A member of this Corporation who is entitled to vote may appoint the Secretary on behalf of the Board of Directors or any other member as his/her proxy. In no case may a member other than the Secretary cast more than one vote by proxy in addition to his/her own vote. Any proxy must be filed with the Secretary before the appointed time of each meeting. Whenever a proxy vote is allowed pursuant to these BYLAWS, it shall be on the form provided by the Forest Club, Inc. which form shall contain the general nature of the matters to be considered for which the proxy is given, shall specify the meeting for which the proxy is given, and shall specify whether the holder is bound to any particular voting instructions.

6.2 Absentee Ballot

It is the OWNERS responsibility to notify the Forest office if they will not be at their official mailing address at the time of a vote by ballot. They may submit an alternate address and request a ballot be mailed to that address.

6.3 Ballots For Elections

Elections are done by a secret ballot and are held every year at the Annual Meeting. Four seats are available one year and three seats are available the following year, which numbers of seats repeat on a two year basis.

The ballot will list the names of the qualified candidates in alphabetical order and the number of seats available. The cut-off time for all ballots to be returned is 1:00 P.M. the day of the Annual Meeting.

OWNERS will receive the following:

- a. Annual Meeting notice
- b. Election Ballot
- c. One paragraph resume provided by each candidate
- d. Instruction Sheet
- e. One small unmarked envelope for completed ballot which is to be placed in the larger envelope.
- f. One large envelope with a return address label already affixed to the front and a clearly stamped area on the back showing the OWNER'S property in the Forest Club with a line

requiring only one OWNER'S signature. If the envelope is not signed, the vote will be voided.

At the start of the Annual Meeting the Secretary and one (1) member of the Tabulating Committee checks the signatures on the back of the large envelopes. Any larger envelopes which are not signed or have more than one signature are voided. The larger envelopes are opened and then the smaller unmarked envelopes are removed and the larger envelopes are set aside. The smaller envelopes are then opened and the ballots are removed. The now empty signed large envelopes along with any unopened voided envelopes and the empty smaller envelopes are put back in the ballot box and set aside. One member of the Tabulating Committee reads each ballot aloud and the remainder of the committee marks their tally sheets accordingly. The accounting is validated after every ten (10) ballots are announced. After all ballots are counted, each committee member tallies and signs their sheet. The Secretary places all sheets into the ballot box to be secured in the office. A member of the committee announces the results, stating the name of each candidate and the number of votes received. Upon the announcement of the official results of the election, the President dismisses the Tabulating Committee. All envelopes, ballots, and tally sheets are to be maintained as part of the Forest Club, Inc.'s official records for one (1) year.

6.4 Post Election Turnover Procedures

Following the election, the outgoing President, serving as Chairman Pro Tem, shall then set a meeting of the newly elected Board of Directors for the purpose of electing a new slate of officers. It is at that meeting that all the official books, keys, and records shall be formally presented to the new Board of Directors by the outgoing officers.

SECTION 7 – BOARD OF DIRECTORS

7.1 Number Of Directors And Qualifications

A Board of Directors consisting of seven (7) members shall oversee the management of the Forest Club, Inc. Only resident OWNERS qualify for the Board of Directors. However, only one (1) member can be elected to the Board per lot.

7.2 Term Of Office

- a. Directors shall be elected for a term of two (2) years. Each Director may serve successive terms, provided he or she is duly elected through the normal election process. Each Director shall hold office until a successor has been elected or until he or she shall resign or be removed as provided herein. Should a vacancy occur, the Board may appoint a qualified Owner to complete an unexpired term. An appointed Director may then be elected to serve a two (2) year term.
- b. Any Director may resign at any time by giving written notice to the President or Secretary. Such resignation shall take effect at the time specified and, unless otherwise specified, the

acceptance of such resignation shall not be necessary to make it effective. Further, a Director who has resigned may not be appointed prior to the expiration of the original term.

- c. Any Officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall not prejudice the right of that member to remain a Director of the Board.
- d. Any Director may be removed with or without cause by a majority of the members voting at a special meeting called for the purpose of removal or as may otherwise be provided by Chapter 720 of Florida Statutes. Any Director whose removal has been proposed shall be given opportunity to be heard at the meeting.
- e. Any Officer may be removed with or without cause by a vote of a majority of the Board of Directors at a Board meeting. Such removal shall not prejudice the right of the Officer so removed to remain a Director of the Board.
- f. A vacancy shall be declared with respect to any seat on the Board of Directors under the following circumstances:
 - 1. Absence from three (3) consecutive properly-noticed Board meetings or from five (5) properly-noticed Board meetings within any twelve (12) month period.
 - 2. Death, resignation or removal of the individual holding said seat.
 - 3. Upon conviction of a felony by the individual holding said seat.

Upon becoming aware that any of the foregoing conditions have occurred, the President shall declare the seat vacant and shall so advise the Board. Upon notification of a vacancy, the Board shall, by majority vote at its next regular meeting, elect a qualified voting member to serve the remaining unexpired term of the vacated seat.

7.3 Election Procedures

No election will be required unless there are more candidates than vacancies to be filled.

The Board of Directors shall place a notice in the official community publication (The Forest CHIPS) inviting any resident OWNER to run for a seat on the Board of Directors. A candidate application may be obtained from the Forest office.

- a. **Nominating Committee** – The Board of Directors shall appoint three (3) members of the Forest Club, Inc. community to the Nominating Committee. Those members must not be current Board members nor persons who will seek a seat on the Board at the current election. Such committee shall accept completed applications from candidates and submit them to the Secretary of the Board. Any member eligible to vote may submit recommendations to this Nominating Committee. All applications and affidavits completed by candidates must be delivered to the Board Secretary the day before Meet the Candidates special meeting. At the start of the meeting, the President will dismiss the Nominating Committee.

- b. **Tabulating Committee** – The Secretary shall submit for approval by the Board a committee of at least five (5) members who are not themselves candidates, or sitting Board members, nor related to same. Their responsibilities are to open, validate, and count the ballots during the annual meeting and present the final count to the Board and membership. The President will then dismiss the committee. The committee will also be empowered by the Board of Directors to verify count and report to the President whenever a vote of the entire membership is required.

- c. **Certification** – Within ninety (90) days of being elected, all new Board of Directors members shall certify in writing to the Secretary that they have read the Governing Documents, will uphold them to the best of their ability, and will faithfully discharge their fiduciary responsibility to the membership. This also applies to any appointed Director. Florida Statutes and/or other legal requirements may also apply for Board of Directors certification.

SECTION 8 – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the powers and responsibility necessary to manage the affairs of the Forest Club, Inc., to protect the private and adult status of the 55+ community, and to promote the general welfare and good will of the membership. The Board of Directors may perform all such acts as do not usurp any powers to be exercised by the members as governed by law or the Governing Documents.

8.1 General Powers

The general powers of the Board of Directors shall include, but not be limited to, the following:

- a. To prepare and adopt an annual budget based on the service desires of the OWNERS and the cost realities, and to include therein appropriate provisions for reserve funds for capital improvements and replacements, as well as for current operating expenses.
- b. To establish, collect and disburse assessments.
- c. To maintain, operate, repair and/or replace any physical property.
- d. To reconstruct facilities after a casualty.
- e. To maintain architectural control over all structures and exterior additions to properties or changes thereto.
- f. To contract for and/or employ personnel and/or vendors to perform authorized managerial or other necessary services.
- g. To carry appropriate insurance.
- h. To pay the costs of duly authorized expenses.
- i. To charge and collect reasonable utility and clean up costs when the common areas are privately used.

- j. To establish and enforce Rules and Regulations concerning the use of the properties.
- k. To enforce by legal means the provisions of the Governing Documents.
- l. To appoint committees from the membership of the Forest Club, Inc.
- m. To use arbitration, as appropriate, as a remedy for internal disputes as a means of avoiding disruptive and costly judicial action.
- n. To not donate to public welfare, religious, charitable, scientific, educational, political or any other similar purposes.
- o. To comply with all applicable federal, state, county, and city laws and ordinances.
- p. To uphold all provisions of The Forest Club, Inc. Governing Documents.

8.2 Compensation

Directors, including Officers, and committee members shall not receive any compensation for their services. They shall not accept gifts or services of any sort from outside vendors and contractors or in any other way benefit financially for service to The Forest Club, Inc. Reimbursements of expenses properly incurred in the performance of their duties are authorized.

8.3 Committees

The Board of Directors shall establish and appoint such standing or ad hoc committees from the membership as are deemed necessary to manage the affairs of The Forest Club, Inc. The Board of Directors shall specifically charge each committee with its task, term of existence, and reporting requirements. The President shall be ex officio member of all committees except the Nominating Committee. The Treasurer shall be a member of the Budget Committee.

a. Architectural Review Standing Committee

The Board of Directors shall appoint an Architectural Review Committee of at least three (3) resident OWNERS of The Forest Club, Inc. to carry out the "Architectural Control" provisions as set forth under the COVENANTS, CONDITIONS AND RESTRICTIONS, as amended. All exterior improvements or changes to private properties of any kind or description to be erected, constructed, etc. within the community must have prior approval of this committee. The Forest Club, Inc. office provides the material necessary to obtain approval. Should a dispute arise between the committee and the OWNER, the matter will be referred to the Board of Directors. The OWNER shall be informed in writing of his or her right to appear before the Board of Directors before final resolution.

b. Document Review Committee

The Board of Directors may appoint at least three (3) resident OWNERS charged with maintaining the governing documents of The Forest Club, Inc. This committee shall assure compliance with statutes and codes which affect our documents and shall make any recommendations to the Board of Directors.

c. **Financing Committee**

See Section 12 regarding the provisions for this committee per Florida Statutes

8.4 Authority For Rules And Regulations

The Board of Directors shall have the authority to issue, enforce, rescind, or revise such RULES AND REGULATIONS as it deems necessary to govern The Forest Club, Inc. as is prescribed under the Articles of Incorporation and the COVENANTS, CONDITIONS AND RESTRICTIONS, as amended, to which all members are parties. All provisions must comply with the current statutes of the state of Florida.

8.5 Indemnification Of Officers And Directors

The Forest Club, Inc. shall indemnify and hold harmless each person who shall serve as a Director or Officer of The Forest Club, Inc. from and against any and all claims and liabilities to which such person shall become subject by some reason of his/her having been a director or officer of The Forest Club, Inc. or by reason of any action alleged to have been taken or committed by him/her as such, and shall reimburse each person for all legal and other expenses reasonably incurred by him/her in connection with any such claim or liability, provided, however, that no such person shall be indemnified against or be reimbursed for any expenses incurred in connection with any claim of liability arising out of his/her willful misconduct or bad faith actions.

SECTION 9 – OFFICERS AND RESPONSIBILITIES

9.1 Officers

The Officers of this Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer.

9.2 Election Of Officers And Term Of Office

The Officers of The Forest Club, Inc. shall be elected for a one year term by the Board of Directors prior to January 1. The Board of Directors shall elect a President, one or more Vice Presidents, a Secretary, and a Treasurer from among its members.

9.3 President

The President shall be the Chief Operating Officer of The Forest Club, Inc. and shall preside at all Board of Directors meetings and be an ex officio member of all authorized committees except the Nominating Committee. The President shall be responsible for the active management of The Forest Club, Inc. and shall see that the orders and resolutions of the Board of Directors are carried out.

9.4 Vice President(s)

The Vice President(s), designated as first and second, shall perform such duties as are assigned by the Board of Directors or the President. In the absence of the President, the Vice President (first) shall assume the duties of the President.

9.5 Secretary

The Secretary shall attend all regularly scheduled and special meetings of the Board of Directors and shall be responsible for recording all votes and keeping the minutes of all meeting proceedings. This Officer shall be responsible for the notice to the general membership of all Board of Directors meetings. A draft of the Secretary's minutes of all Board of Directors meetings shall be posted on the official Forest Club, Inc. bulletin board within seven (7) business days after a meeting occurs. Such minutes are subject to final approval at the following Board of Directors meeting. The Secretary shall be responsible for all other records of The Forest Club, Inc. and its members and the safe custody of the corporate seal. All such records of The Forest Club, Inc. shall be kept at the office at 400 N. Forest Blvd., Lake Mary, Florida 32746, a management company location, or another secure location.

9.6 Treasurer

The Treasurer shall be responsible for the accounting of all corporate funds and securities belonging to The Forest Club, Inc. This Officer shall monitor the receipts, disbursements, and investments of all funds including those assigned to any management company. The Treasurer shall be a member of the Budget Committee. The Board of Directors, by way of resolution, shall determine who will be authorized to sign checks. All books, documents, records, and tapes pertaining to The Forest Club, Inc., and its membership, shall be kept at the office 400 North Forest Boulevard, Lake Mary, Florida 32746 for repository.

9.7 Executive

The President, Vice President (first), and Treasurer shall act as an Executive Committee for the transaction of routine business between meetings of the Board of Directors and shall act in emergencies. Any actions of this Committee outside of routine business are to be reported at the next Board of Directors meeting for recording in the minutes. The Executive Committee shall meet at the call of any of its members.

SECTION 10 – THE BUDGET

The Budget shall be based on a total review of all on-going and new programs, standards of operation, and level of services desired and acceptable to the OWNERS.

10.1 Budget Adoption

The Board of Directors shall have the authority and duty to adopt an annual Operating Budget and an annual Reserve Budget to determine the monthly assessment. The Board of Directors shall publish notice thereof, together with the proposed monthly assessment at least thirty (30) days in advance of the beginning of the new fiscal year. If for any reason the Board of Director's notice of the adopted Budget and assessment is not published at least thirty (30) days in advance of the beginning of the new fiscal year, the Board of Directors shall have the authority to continue operations at the budget level and assessment rate approved for the previous year. If the Board of Director's proposed annual budget requires a monthly assessment to be increased by more than ten percent (10%) of the previous fiscal year's monthly assessment, adoption shall be subject to a vote by the entire membership with approval by a majority of those votes actually cast.

10.2 Special Meeting - Proposed Budget

Approximately sixty (60) days prior to each fiscal year, but not fewer than fourteen (14) days prior to a Board of Directors meeting where final budget approval is to take place, all OWNERS shall be given notice of this special meeting and a copy of the proposed budget along with any necessary or appropriate explanation.

10.3 Operating Fund

Monies from this fund are to be used for the day to day expenses incurred in running The Forest Club, Inc.

- a. Monies in the Operating Fund shall be conclusively deemed a common resource, and the proportionate interest of any owner in this shall not be separately withdrawn, assigned or transferred, or otherwise separated from any owner's property to which it appertains, and shall be deemed to be transferred with such property.
- b. The signature of an Officer of the Board shall be required on all invoices submitted for payment. When a management company is used, the authorization to sign checks will be given to one person. When an invoice/bill is submitted to the management company for payment, it will require the signature of one of the Board officers with notation of budget line item to be charged.
- c. The annual budget shall also include an Operating Contingency Account, not to exceed 5% of the total Operating expenses for that year. It is to be used for funding unbudgeted expenses such as minor emergencies or unforeseen problems. Any amount charged to this account in excess of \$5,000.00 shall require approval of a majority of members present at a meeting duly called for this purpose.

10.4 Reserve Fund

Monies from this fund shall be used for replacement and deferred maintenance of common area facilities and amenities.

- a. The Reserve budget shall include a separate account for each item. The amount to be reserved in each account shall be computed by a formula based upon the estimated life and estimated replacement or repair cost of each item.
- b. Monies in the Reserve Fund shall be conclusively deemed a common resource, and the proportionate interest of any OWNER in this shall not be separately withdrawn, assigned or transferred, or otherwise separated from any OWNER property to which it appertains, and shall be deemed to be transferred with such property.
- c. The signature of an Officer of the Board shall be required on all checks. When a management company is used, the authorization to sign checks will be given to one person. When an invoice/bill is submitted to the management company for payment, it will require the signature of one of the Board officers with notation of budget line item to be charged.
- d. The Board of Directors is authorized to approve the Reserve Budget except when line items are combined or deleted in which case a vote of the entire membership is required.

10.5 Emergency Funds

The Board of Directors shall maintain funds accounted for on each monthly Balance Sheet.

- a. The Board of Directors is authorized to disburse funds from these accounts in the event of an emergency for the following:
 - 1.) to provide monies to relieve assessment during an emergency situation.
 - 2.) to cover the insurance deductible.
 - 3.) to mitigate any damage to common property not covered by insurance.

SECTION 11 – ASSESSMENTS

Assessments are monthly funds required to be paid by the OWNERS for the operations of The Forest Club, Inc. Annual and Special Assessments must be fixed at a uniform rate for all lots.

11.1 Monthly Assessments

- a. The Board of Directors shall have the power and authority to establish the annual assessment for each fiscal year to be levied against each living unit. The fiscal year shall begin on January 1.
- b. The monthly payment of the annual assessment shall be due and payable without notice on the first day of each calendar month.

11.2 Special Assessments

- a. Authority and Purpose – The Board of Directors may levy special assessments at any time during the fiscal year (applicable to that fiscal year) the purpose of which is to defray, in whole or in part, costs for any construction, reconstruction, improvement, repair or replacement of any improvement to the common area, provided, however that such special assessment must be approved by a majority of the members voting at a meeting duly called for that purpose.
- b. Special Assessments shall be due and payable either in a lump sum or on a monthly basis.

11.3 Creation Of The Lien And Personal Obligation For Assessments

Each lot OWNER is deemed to covenant and agree to pay to The Forest Club, Inc. all annual and special assessments. These assessments, together with costs, interest, and reasonable attorney fees incurred in enforcing and collecting same, shall be secured by a continuing lien and charge upon the lot against which said assessment is made. In addition, each assessment, together with costs, interest, and reasonable attorney fees, shall also be the personal obligation of the OWNER at the time said assessment fell due.

11.4 Effect Of Non-Payment Of Assessments

- a. Acceleration of Installments – Upon default in the payment of any one or more installment(s) of any assessment levied pursuant to these BYLAWS or any other installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.
- b. Interest Charges and Late Fees – All charges in addition to the assessment not paid shall become the obligation of the OWNER. Any assessment if unpaid shall be considered late and subject to interest at the highest rate permitted by law thirty (30) days after coming due. Any late assessment shall further be charged a late fee of \$25.00 per assessment.
- c. Subordination of the Lien to Mortgage – The lien of assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of a lot pursuant to mortgage foreclosure, or a proceeding in lieu thereof, shall act to extinguish the lien for unpaid assessments which fell due prior to the date of the sale or transfer subject to any limitations for amounts due and owing or for the provision of any “safe harbor” afforded to foreclosing mortgage lenders, or their successors or assigns, by statute, as same may be amended. Such transfer shall not affect the liability for assessments or the lien for assessments falling due after the date of such sale or transfer. Notwithstanding the foregoing, nothing shall prevent The Forest Club, Inc. from meeting any obligations of the OWNER under any mortgage or lien superior to the lien of the assessments as well as real estate taxes in order to protect the Association’s lien. If so done, all such expenditures including all costs and attorney fees shall also become part of the assessment protected by the lien. There shall never be an obligation of The Forest Club, Inc. to undertake such expense, only the right to do so at its own discretion.
- d. Remedies – The Forest Club, Inc. may bring an action at law or foreclosure against the OWNER of record at the time such assessment fell due or foreclose the lien on the lot securing the assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of common areas or the abandonment of the lot. If a lot is occupied by a tenant and the OWNER is delinquent in paying monetary obligations due The Forest Club, Inc., the Association will demand, in accordance with Florida statutes that the tenant pay future monetary obligations related to the lot. The tenant does not, by virtue of such payments have the rights of a lot OWNER to vote in an election or to examine the books and records of The Forest Club, Inc.
- e. Attorneys, Fees, and Costs – In the event the Forest Club, Inc. finds it necessary to retain an attorney to collect delinquent assessments as well as interest and late fees as well as any other charges or costs incurred by the Forest Club, Inc. in protecting its lien, then said attorneys’ fees and costs incurred in collecting such delinquent amounts prior to suit, at suit and trial, on appeal as well as in determining fees shall become the responsibility for the prevailing party and shall be secured by the lien of the Forest Club, Inc.
- f. Application of Payment – Payments received toward outstanding obligations of OWNERS will be applied in the following manner:
 1. interest charges
 2. late fees
 3. enforcement and collection costs including attorney’s fees
 4. assessment first due.

SECTION 12 – ENFORCEMENT OF THE GOVERNING DOCUMENTS OF THE FOREST CLUB, INC. (THE ASSOCIATION)

This section provides remedies for violations of the Association's Declaration of Covenants, Articles of Incorporation, Bylaws, Rules and Regulations, and Architectural Review Committee Policies per Chapter 720.305 of the Florida Statutes as follows:

“Obligations of members; remedies at law or in equity; levy of fines and suspension of use rights:

1.) Each member and the members' tenants, guests, and invitees, and each association, are governed by, and must comply with, this chapter, the governing documents of the community, and the rules of the association. Actions at law or in equity, or both, to redress alleged failure or refusal to comply with these provisions may be brought by the association or by any member against:

- (a) The association;
- (b) A member;
- (c) Any director or officer of an association who willfully and knowingly fails to comply with these provisions; and
- (d) Any tenants, guests, or invitees occupying a parcel or using the common areas.

The prevailing party in any such litigation is entitled to recover reasonable attorney's fees and costs. A member prevailing in an action between the association and the member under this section, in addition to recovering his or her reasonable attorney's fees, may recover additional amounts as determined by the court to be necessary to reimburse the member for his or her share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law. This section does not deprive any person of any other available right or remedy.

2.) The association may levy reasonable fines of up to \$100 per violation against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association, the association bylaws, or reasonable rules of the association. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$1,000.00 in the aggregate unless otherwise provided in the governing documents. A fine of less than a \$1,000.00 may not become a lien against a parcel. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from the non-prevailing party as determined by the court

(a) An association may suspend, for a reasonable period of time, the right of a member, or a member's tenant, guest, or invitee to use common areas and facilities for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. This paragraph does not apply to that portion of common areas used to provide access or utility services to the parcel. A suspension may not impair the right of an owner or tenant of a parcel to have vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park.

(b) A fine or suspension may not be imposed without at least 14 days' notice to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the Board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by a majority vote, does not approve a proposed fine or suspension, it may not be imposed. If the association imposes a fine or suspension, the association must provide written notice of such fine or

suspension by mail or hand delivery to the parcel owner and, if applicable, to any tenant, licensee, or invitee of the parcel owner.

3. If a member is more than 90 days delinquent in paying a monetary obligation due to the association, the association may suspend the rights of the member, or the member's tenant, guest, or invitee, to use common areas and facilities until the monetary obligation is paid in full. This subsection does not apply to that portion of common areas used to provide access or utility services to the parcel. Suspension does not impair the right of an owner or tenant of a parcel to have vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park. The notice and hearing requirements under subsection (2) do not apply to a suspension imposed under this subsection.

4. An association may suspend the voting rights of a parcel or member for the nonpayment of any monetary obligation due to the association that is more than 90 days delinquent. A voting interest or consent right allocated to a parcel or member which has been suspended by the association may not be counted towards the total number of voting interests for any purpose, including, but not limited to, the number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, for the number of voting interests required to approve an action under this chapter or pursuant to the governing documents. The notice and hearing requirements under subsection (2) do not apply to a suspension imposed under this subsection. The suspension ends upon full payment of all obligations currently due or overdue to the association.

5. All suspensions imposed pursuant to subsection (3) or subsection (4) must be approved at a properly noticed board meeting. Upon approval, the association must notify the parcel owner and, if applicable, the parcel's occupant, licensee, or invitee by mail or hand delivery."

SECTION 13 – GENERAL PROVISIONS

13.1 Books And Records

The Forest Club, Inc. shall keep at its registered office or principal office in the State of Florida accurate books and records of account, minutes of the proceedings of its OWNERS and Board of Directors and a record of the names and addresses of its members entitled to vote.

13.2 Inspection Of Books And Records

Books and Records of The Forest Club, Inc. may be inspected and/or copied by any OWNER, his agent or attorney during normal business hours subject to reasonable notice. The Florida statutes provide for reasonable fees to cover the cost of copies. The following records are not accessible to the OWNERS:

- a. records protected by lawyer-client privilege
- b. information obtained in connection with the sale or other transfer of a lot or approval of a lease
- c. records of The Forest Club, Inc. employees

- d. Social Security numbers, driver's license numbers, credit card numbers, or any identifying personal information other than the OWNER(s) name and address
- e. Any electronic security measure used by The Forest Club, Inc. to safeguard data, including passwords
- f. The software and operating system used by The Forest Club, Inc. which allows manipulation of data of the official records of The Forest Club, Inc.

13.3 Checks And Notes

All checks for money and notes of The Forest Club, Inc. shall be signed by such persons as the Board of Directors may designate.

13.4 Fidelity Bonds

The Board of Directors shall require that all officers and employees of The Forest Club, Inc. handling or responsible for The Forest Club, Inc. funds shall be covered under adequate fidelity bonds, the premium for which shall be paid by The Forest Club, Inc.

13.5 Annual Audit And Report

Following the closing of each fiscal year, the books and records of The Forest Club, Inc. will be audited by an independent Certified Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Copies of the report together with a copy of the annual financial statement will be made available to the OWNERS upon request.

13.6 Rules Governing

The Board of Directors meetings of The Forest Club, Inc. may conform generally to Robert's Rules of Order, Newly Revised when such rules are not in conflict with state law, Articles of Incorporation, COVENANTS, CONDITIONS AND RESTRICTIONS, or these BYLAWS.

13.7 Repository Of Records

- a. All basic and original records of The Forest Club, Inc. shall be kept in a safe deposit vault of a bank for maximum security, i.e., Articles of Incorporation, Declaration, Property transfer(s), CC&R, BYLAWS, RULES & REGULATIONS, and Insurance Policies, CD's, MMA, and Treasury notes.
- b. All other important records, reports, communications, etc. shall be placed in a locked file at the close of each business day or at any other time when the office is unattended.
- c. The Board of Directors shall have the authority and duty to determine the period of time each type of record or document shall be held, consistent with applicable law and statutes, and to cause the prompt disposition of superfluous materials.

13.8 Priority Of Documents

It is expressly stipulated that for the purposes of practical as well as judicial construction, the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS shall have priority over the Articles of Incorporation which in turn shall have priority over these BYLAWS which in turn shall have priority over the RULES AND REGULATIONS. Any conflict or ambiguity with regard to the affairs of The Forest Club, Inc. shall be resolved by reference to this section.

To amend the COVENANTS, CONDITIONS, AND RESTRICTIONS, approval of two-thirds (2/3) of the lot OWNERS is required.

To amend the BYLAWS, approval of a quorum (30%) of the lot OWNERS is required.

Ballots for amendments to Forest documents require the name, the address and the signature of the voting OWNERS. If the amendment being voted upon is approved, the names and addresses must be included in the county records when the document is officially recorded.

SECTION 14 – AMENDMENT OF THESE BYLAWS

The Board will provide a copy of any proposed amendment to these BYLAWS to the OWNERS along with a ballot and a notice of the day, date, and time of the meeting to vote on such an amendment at least fourteen (14) days prior to such meeting.

To amend these BYLAWS, copies of any proposed amendments will be provided to the members by U. S. Mail at the address provided to the Forest Club, Inc. by the OWNER. The affirmative approval of any amendment must be voted on at a duly noticed meeting of the membership by majority of a quorum (that is, 30%) of the total number of voting interests is required.

Ballots for amendments to these BYLAWS require the name, address, and the signature of the voting OWNERS and vote counting and tabulating procedures used for the election of members of the Board of Directors (see section 6.3) shall be employed.

Following the passage of an amendment, the Board shall mail to the OWNERS within thirty (30) days of the vote copies of the amendment passed as well as, if available, the Official Records recording information for the amendment.